

MEMO ENDORSED

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September 11, 2007

Via Facsimile and
Regular Mail

Honorable Justice P. Kevin Castel
United States District Court
Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl St., Room 2260
New York, NY 10007
(212) 805-7949

If counsel is unable to
secure the consent of plaintiff
and all other interested parties,
then he is free to proceed
by formal motion demonstrating
that the value of the
property exceeds
the amount
likely
disengagement.

Re: **Securities and Exchange Commission v. Empire Development Group, LLC, Empire Development Group Fund I, LLC, Castle Hill Ventures, LLC, Felix Strashnov a/k/a Felix Stranton and Michael Ayngorn**
07 Civ. 3896 (PKC)

Dear Justice Castel:

We represent Defendant Empire Development Group LLC ("Defendant") in the above-referenced matter.

Previously, the Court granted us permission to utilize the funds in Defendant's retainer (provided to us prior to the issuance of the Court's Order to Show Cause, Temporary Restraining Order and Order Freezing Assets and Granting Other Relief dated May 18, 2007) to cover the cost of our legal fees. We note that the funds contained in Defendant's retainer have now been exhausted, and Defendant no longer has funds with which to pay outstanding fees and fees for future services in connection with the above matter. In order for our firm to effectively represent our client and to resolve this matter more expeditiously, we request a revision of the Court's Preliminary Injunction Order dated June 12, 2007 (the "Order") to provide that our fees will be paid out of the proceeds from the sale of the Properties (as such term is defined in the Order).

Please note that we are willing to proceed by formal motion with respect to this matter if the Court deems it necessary.

Sincerely,


Liam O'Brien

cc: Michael Birnbaum, Esq.
Michael Paley, Esq.
Doria G. Stetch, Esq.
Mark K. Schonfeld, Esq.